

NOTICES OF PUBLIC INFORMATION

Notices of Public Information contain corrections that agencies wish to make to their notices of rulemaking; miscellaneous rule-making information that does not fit into any other category of notice; and other types of information required by statute to be published in the *Register*. Because of the variety of material that is contained in a Notice of Public Information, the Office of the Secretary of State has not established a specific format for these notices.

NOTICE OF PUBLIC INFORMATION

[M12-319]

1. **Name of the Agency:** Arizona Health Care Cost Containment System (AHCCCS)
2. **The Subject of this Notice:** AHCCCS Provider Reimbursement for the Time Period of October 1, 2012 through September 30, 2013.
3. **The Public Information relating to the Subject:**

This Notice is the Notice of Public Information describing the final rates and reimbursement for institutional providers effective October 1, 2012 through September 30, 2013. The Notice of Public Information informing the public of the proposed institutional rates was published in the *Arizona Administrative Register* July 27, 2012. Arizona Laws 2012, Ch. 299, § 20 (Senate Bill 1528) authorizes AHCCCS to continue, for the time period of October 1, 2012 through September 30, 2013, the 5% reductions in payments to institutional and non-institutional providers which became effective October 1, 2011. The 5% rate reductions from October 1, 2011 through September 30, 2012 were authorized by Arizona Laws 2011, Ch. 31, also known as Senate Bill 1619.

The purpose of this Notice is to advise the public that AHCCCS will continue the institutional provider reimbursement put in place on October 1, 2011 for the upcoming year: from October 1, 2012 through September 30, 2013.

The provider reimbursement for October 1, 2012 through September 30, 2013 is necessary to implement the AHCCCS Program within the Agency's actual and anticipated appropriations for the federal fiscal year beginning October 1, 2012. The AHCCCS Administration is making this reimbursement after consideration of various factors as required by federal law, including but not limited to, efficiency, economy, quality of care, and access to care.

The zero % change in aggregate reimbursement from the reimbursement in effect October 1, 2011 does not represent a change from the prior reimbursement rates and methodologies. Therefore, annual aggregate expenditures for the services are not expected to increase or decrease with the implementation of the reimbursement, assuming utilization and other variables remain constant. If the October 2011 reductions are not continued, and assuming utilization and other variables remain constant, the State would expect an aggregate increase in expenditures for these services of \$116,083,534.

Below is a summary of the institutional provider reimbursement which will be implemented October 1, 2012 through September 30, 2013.

INSTITUTIONAL REIMBURSEMENT

Non-Hospital Institutional Rates: With respect to non-hospital institutional reimbursement, AHCCCS payment of Nursing Facilities and Intermediate Care Facilities for the Mentally Retarded (ICF- MRs) from October 1, 2012 through September 30, 2013 will be made using the reimbursement in place October 1, 2011. (Arizona refers to ICF-MRs as Intermediate Care Facilities for Persons with Intellectual Disabilities)

Hospital Rates: Arizona Laws 2012, Chapters 122 and 299 (House Bill 2534 and Senate Bill 1528) authorize AHCCCS to continue the October 1, 2011 rate reductions for institutional and non-institutional providers for the October 1, 2012 through September 30, 2013 time period. These provisions also authorize AHCCCS to eliminate adjustments to inpatient and outpatient hospital rates based on inflation. Because the hospital rates and reimbursement for the October 1, 2012-September 30, 2013 time period continues the rates in effect on September 30, 2012, no expected annual increase or decrease in expenditures is anticipated.

For **Inpatient tiered per diem rates** with begin dates of service October 1, 2012 through September 30, 2013, the rates in effect on October 1, 2011 will continue in effect, and no inflation updates are made.

For **Outliers** with begin dates of service October 1, 2012 through September 30, 2013, AHCCCS will implement the following:

- Regarding Cost Thresholds-AHCCCS will maintain the outlier cost thresholds which became effective October 1, 2011.
- Regarding Cost to Charge Ratios (CCRs)- AHCCCS will maintain the CCR methodology in effect on October 1, 2011. Therefore, AHCCCS will use 90.25% of the most recently published urban or rural Medicare CCR displayed by CMS by August 31, 2012. Also, AHCCCS will reduce the CCR for a hospital by the percentage increase reported on a charge master filed on or after June 1, 2012.

Outpatient Hospital services reimbursed through the Fee Schedule For dates of service October 1, 2012 through September 30, 2013, AHCCCS will maintain overall reimbursement at the level that was in effect on October 1, 2011.

Notices of Public Information

Although some individual rates may change due to rate code changes in category or relative value, the reimbursement, in aggregate, will remain the same as what was reimbursed during the prior federal fiscal year.

Outpatient Hospital services reimbursed using CCRs For dates of service October 1, 2012 through September 30, 2013, AHCCCS will use the same methodology in effect on October 1, 2011. Therefore, AHCCCS will use 95% of the most recently published urban or rural Medicare outpatient CCR displayed by CMS on or before August 1, 2012.

In June 2012 AHCCCS published rules for reimbursement of both inpatient and outpatient hospital rates to be effective October 1, 2012 in accordance with the above legislation. The rules in Article 7 are posted on the AHCCCS web site and are also published in the *Arizona Administrative Register*.

For more information regarding the hospital reimbursement, please visit either the AHCCCS web site or the Arizona Secretary of State's web site at the following links:

<http://www.azahcccs.gov/reporting/state/proposedrules.aspx#Hospital>

http://www.azsos.gov/public_services/Register/2012/contents.shtm

4. A list of previous notices published in the Arizona Administrative Register relating to the notice of public information:

The rules for hospital rates were published in the *Arizona Administrative Register* on July 6, 2012 and may be found at the following link: http://www.azsos.gov/public_services/Register/2012/contents.shtm

The Notice of Public Information for the proposed changes was published in the *Arizona Administrative Register* on July 27, 2012 at: http://www.azsos.gov/public_services/Register/2012/30/contents.shtm

5. Public comments relating to the notice of public information:

The close of the comment period to this Notice of Public Information was 5:00 p.m. on August 20, 2012.

6. Location where copies of the changes are available for review:

Information regarding the continuation of the October 2011 rate reductions may be found on the web site maintained by AHCCCS located at: www.azahcccs.gov. Many public libraries offer access to the internet. In addition the information can be obtained at the:

AHCCCS Administration
701 E. Jefferson St.
Phoenix, AZ 85034